

F I L E D

Clerk of the Superior Court

AUG 09 2006

By: K SANDOVAL, Deputy

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF SAN DIEGO**
10

11 Coordination Proceeding Special Title)
(Rule 1550(b)))

12 **NATURAL GAS ANTI-TRUST CASES**)
13 **I, II, III & IV**)

14 This document relates to:)
15)

16 **ALL PRICE INDEXING CASES**)
17)

JCCP Nos. 4221, 4224, 4226 and 4228

**[PROPOSED] ORDER DENYING TXU
CORP.'S MOTION TO QUASH
SERVICE OF SUMMONS ON BASIS OF
LACK OF PERSONAL JURISDICTION**

Date: July 11, 2006
Time: 10:00 a.m.
Dept.: 71

Hon. Ronald S. Prager

1 Defendant TXU Corp.'s Motion to Quash Service of Summons on Basis of Lack of
2 Personal Jurisdiction, came on regularly for hearing before this Court, the Honorable Ronald S.
3 Prager, presiding.

4 Having reviewed and considered the pleadings, arguments, and papers of the parties, and
5 good cause appearing therefore, IT IS HEREBY ORDERED AND ADJUDGED that:

6 **TXU Corp.'s Motion to Quash Service of Summons on Basis of Lack of Personal**
7 **Jurisdiction is DENIED.** California's long-arm statute authorizes California courts to exercise
8 jurisdiction on any basis not inconsistent with the Constitution of the United States or the
9 Constitution of California. (Code Civ. Proc., § 410.10). "By imposing only these constitutional
10 limitations, our Legislature has authorized the broadest possible exercise of jurisdiction.

11 (Citations)" (*In re Automobile Antitrust Cases I & II* (2005) 135 Cal. App. 4th 100).

12 TXU Corp. has sufficient minimum contacts with California, including purposefully availing
13 itself of the State's benefits, such that the assertion of jurisdiction does not violate "traditional
14 notions of fair play and substantial justice." (*International Shoe Co. v. Washington* (1945) 326
15 U.S. 310, 316; *Vons Companies, Inc. v. Seabest Foods, Inc.* (1996) 14 Cal.4th 434, 444-445).

16 This Court has jurisdiction over TXU Corp. because of its control of its subsidiaries who
17 have consented to jurisdiction. The evidence establishes TXU Corp.'s involvement in its
18 subsidiaries' day to day operations is sufficient to establish jurisdiction because the subsidiaries
19 are nothing more than an agent or instrumentality of TXU Corp. (*Sonora Diamond Corp. v.*
20 *Superior Court* (2000) 83 Cal.App.4th 523, 541). TXU Corp.'s Press Releases and public filings
21 demonstrate that the TXU companies operate as an integrated energy company controlled by
22 TXU Corp. The TXU companies conduct business under a brand name to gain a competitive
23 advantage and TXU Corp. cannot now distance itself from the control it exercises over its
24 subsidiaries.

25 TXU Corp. is also subject to personal jurisdiction under the representative services
26 doctrine because Defendant TXU Energy Trading Company and Defendant TXU Energy
27 Services Company, who have consented to this Court's jurisdiction, performs functions which
28 are compatible with, and assist TXU Corp. in the pursuit of TXU Corp.'s own business. (See

1 *Dorel Industries v. Superior Court* (2005) 134 Cal.App.4th 1267, 1277; *Paneno v. Centres for*
2 *Academic Programmes Abroad, Ltd.* (2004) 118 Cal.App.4th 1447; *Sonora Diamond Corp. v.*
3 *Superior Court* (2000) 83 Cal.App.4th 523, 540-546.)

4 IT IS SO ORDERED.

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6 Dated: AUG 09 2006



RONALD S. PRAGER